

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)**

In re:

COSI, INC., et al.,¹

Debtors.

**Chapter 11
Case No. 16-13704-MSH
(Jointly Administered)**

NOTICE OF (I) WINNING BIDDER AND (II) CANCELLATION OF AUCTION

TO ALL CONTRACT AND LEASE COUNTERPARTIES AND OBJECTORS:

PLEASE TAKE NOTICE that on October 7, 2016 the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed a *Motion for (I) Order Establishing Bidding Procedures and Granting Related Relief and (II) Order Approving Sale of Substantially all Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests and Granting Related Relief* [Docket No. 105] (the “Sale Motion”).²

PLEASE TAKE FURTHER NOTICE that on October 24, 2016, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. 280], as amended [Docket No. 403]. Copies of the Sale Motion and Bidding Procedures Order, as amended, are available at no charge upon request from the undersigned attorney. The documents are also available on the Court’s Internet Website: www.mab.uscourts.gov. A login and password to the Court’s Public Access to Electronic Court Records (“PACER”) are required to access this information on the Court’s Internet Website and may be obtained through the PACER service center at (800) 676-6856 (from the U.S.), or (210) 301-6440 (from outside the US) or at pacer.psc.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures Order, the deadline for the submission of Qualified Bids in connection with the Auction expired on November 28, 2016 at 5:00 p.m. prevailing Eastern Time (the “Bid Deadline”).

PLEASE TAKE FURTHER NOTICE that the Debtors received no bids prior to the Bid Deadline and no party requested an extension of the Bid Deadline.

¹ The Debtors in these Chapter 11 cases are Cosi, Inc. (Case No. 16-13704-MSH), Xando Cosi of Maryland, Inc. (Case No. 16-13706-MSH), Cosi Sandwich Bar, Inc. (Case No. 16-13705-MSH), Hearthstone Associates, LLC (Case No. 16-13707-MSH), and Hearthstone Partners, LLC (Case No. 16-13708-MSH). The Debtors’ corporate offices are located at 294 Washington Street, Suite 510, Boston, Massachusetts 02108. The cases are jointly administered under the Cosi, Inc. case number.

² Capitalized terms not otherwise defined herein shall have the meanings provided in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that, in light of the foregoing, the auction scheduled for November 30, 2016 at 10:00 a.m. prevailing Eastern Time (the "Auction") is cancelled and LIMAB, LLC is deemed the Winning Bidder.

PLEASE TAKE FURTHER NOTICE that the Debtors provided notice of the possible assumption and assignment of the executory contracts and unexpired leases to the Winning Bidder and notice of all cure costs related thereto in the *Notice of Proposed Assumption and Assignment of Executory Contracts and Unexpired Leases and Proposed Cure Amounts* [Docket No. 284], as restated and amended [Docket No. 419] (the "Assumption Notice"). The Debtors anticipate filing a further restated and amended Assumption Notice which will set forth all executory contracts and unexpired leases to be assumed and assigned to the Winning Bidder (the "Assumed Contracts and Leases"). The Debtors are satisfied that the Winning Bidder will demonstrate adequate assurance of future performance of the Assumed Contracts and Leases. Adequate assurance materials related to the Winning Bidder were made available for inspection in an online data room on November 21, 2016 and copies of those materials will also be mailed to counterparties to the Assumed Contracts and Leases.

PLEASE TAKE FURTHER NOTICE that any objections to adequate assurance of future performance by the Winning Bidder must be filed in writing with the Clerk, U.S. Bankruptcy Court located at J.W. McCormack Post Office & Court House, 5 Post Office Square, 12th Floor, Boston, MA 02109-3945 on or before **December 6, 2016 at 5:00 p.m. prevailing Eastern Time** (the "Adequate Assurance Objection Deadline"). A copy of any objection also shall be served upon the undersigned. Any objection shall be governed by Fed. R. Bankr. P. 9014.

PLEASE TAKE FURTHER NOTICE that, unless the non-debtor party to a Contract or Lease or any other party in interest files an objection on or before the Adequate Assurance Objection Deadline, such parties shall be forever barred from objecting to the ability of the Winning Bidder to provide adequate assurance of future performance.

PLEASE TAKE FURTHER NOTICE that if you are satisfied with the adequate assurance of future performance by the Winning Bidder, you need not take any further action by filing an objection.

PLEASE TAKE FURTHER NOTICE that a hearing on objections and the Sale Motion is scheduled to take place on **December 8, 2016 at 10:00 a.m. prevailing Eastern Time** before the Honorable Melvin S. Hoffman, Courtroom 2, U.S. Bankruptcy Court, J.W. McCormack Post Office & Court House, 5 Post Office Square, 12th Floor, Boston, MA 02109-3945 (the "Sale Hearing"). At the Sale Hearing the Court may determine further terms and conditions of the sale and the assumption and assignment of Assumed Contracts and Leases. Any party that filed an objection is expected to be present at the hearing, failing which the objection may be overruled. The Court may take evidence at the hearing to resolve issues of fact. If no objection to the Sale Motion is timely filed, the Court, in its discretion, may cancel the scheduled hearing and approve the sale and the assumption and assignment of the Assumed Contracts and Leases without a hearing.

PLEASE TAKE FURTHER NOTICE that the Debtors, in consultation with the Winning Bidder, reserve the right to remove any Assumed Contract or Assumed Lease from the Schedules attached to the Assumption Notice, as it may be restated and amended, at or prior to the Sale Hearing.

PLEASE TAKE FURTHER NOTICE THAT, BY LISTING A CONTRACT OR LEASE ON THE SCHEDULE ATTACHED TO THE ASSUMPTION NOTICE, (I) THE DEBTORS ARE NOT MAKING A REPRESENTATION THAT ANY SUCH AGREEMENT OR OTHER DOCUMENT IS ACTUALLY AN EXECUTORY CONTRACT OR LEASE, AND (II) NO PARTY IS ASSURED THAT ANY CONTRACT OR LEASE WILL ULTIMATELY BE ASSUMED AND ASSIGNED, INCLUDING, WITHOUT LIMITATION BECAUSE THE WINNING BIDDER DETERMINES NOT TO ASSUME A PARTICULAR EXECUTORY CONTRACT OR LEASE AT CLOSING.

Respectfully submitted,

COSI, INC., *ET AL.*

By their counsel,

/s/ Kate P. Foley

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